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Exploring Islamic Retailer Store Attributes from Consumers Perspectives: An Empirical Investigation

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ABSTRACT

Retailers' interest in using various combinations of store attributes to form an Islamic retail mix and project their image as an Islamic store is significantly increasing. This is due to the fact that scholars and practitioners are aware of the increasing purchasing power and significant size of the Muslim consumer segment. A review of the literature reveals that most studies conceptually and theoretically examined the principles and elements that constitute an Islamic marketing mix or retail mix. The purpose of this study is to empirically examine the stores' attributes and how they reflect an Islamic retailer from the perspective of Muslim consumers. Data were collected through a self-administered questionnaire consisting of 300 consumers from shopping malls in Kuala Lumpur, Malaysia. Factor analysis indicated various store attributes correlate to reveal four dimensions of an Islamic retailer which are Trustworthy Pricing, Conforming Store Atmosphere, Trustworthy Product and Ethical Promotion.

Keywords: Marketing mix, retail mix, Islamic retailer, Islamic store attributes

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Any remaining errors or omissions rest solely with the author(s) of this paper.

INTRODUCTION

The retailing industry is an important sector that contributes significantly to the income of the country. For example, in 2012, it contributed RM46.9 billion to Malaysia's GDP (Ministry of International Trade and Industry, 2013), and in 2009, it provided over 500,000 jobs (Economic Transformation Programme, 2013). It has been designated as one of Malaysia's national key economic areas (NKEA) due to its importance as a driver of economic growth. Efforts are focused on encouraging the development and growth of retail activity.

There have been various transformations to the retail industry in Malaysia. This parallels the developments across the globe brought by various factors, such as globalisation, changes in consumer behaviour, trade liberalisation, regulation and policies and advancement in technology (Basso and Hines, 2007; Kaliappan et al., 2008; Hassan, Sade and Rahman, 2013; KPMG, 2013). Large retail formats, such as hypermarkets, supermarkets and lifestyle department stores, have increasingly entered the market (Choo, 2010). Meanwhile, traditional retail shops, such as convenience stores, provision stores, and specialty shops, are still mushrooming despite concerns that they will be overtaken by giant retailers (Kaliappan et al., 2008; Mohd Roslin and Melewar, 2008; Amine and Lazzaoui, 2011). In addition, the emergence of online retailers and technology use by offline (brick and mortar) retailers have significantly transformed and brought intense competition to the retailing landscape (Lindsay, 2012; KPMG, 2013). Consequently, it is crucial for retailers to understand factors that may influence consumers' attitudes and choices in patronising a store.

Retailers have been using various retail mixes, such as pricing (Gauri, Trivedi and Grewal, 2008), merchandising (Pan and Zinkhan G., 2006; Martinez and Pina, 2010), branding (Hassan and Rahman, 2012), assortments (Briesch, Chintagunta and Fox, 2009) amongst others, to grab their share of customers. These retail mixes are the combination of retail store attributes, which reflects the retailers store image and are antecedents for consumers' evaluation and decision making when choosing a store (Jinfeng and Zhilong, 2009; Beneke et al., 2011). A new strategy, which is increasingly being adopted by retailers, is the incorporation of the Islamic concept in their store attributes (Abu Bakar and Hussin, 2013).

The recent interests of retailers in adopting Islamic concepts are due to various factors. First, the number of followers of the Islamic religion or Muslims is estimated to be between 1.5–1.8 billion, which makes Muslims the largest consumer segment identified thus far (Alserhan, 2011; Alserhan and Alserhan, 2012). Furthermore, there is an increase in the economic power of Muslim consumers committed to

following their religion whilst actively engaging consumption practices in the capitalist market (Amine and Lazzaoui, 2011; Sandikci, 2011). These consumers can afford to purchase branded and up-to-date goods and/or services and are receptive to modern retail format (Sandikci and Ger, 2002; Wong, 2007; Yusuf and Madichie, 2012).

The global and local social and political development has pushed for greater religious involvement in everyday life. Many Muslims are returning to Islamic rules and regulation (syari'ah law) to guide their social and economic activities (Saeed, Ahmed and Mukhtar, 2001; Muhamad and Mizerski, 2013). Corporate organisations are aware of these developments, which can be seen in many consultancy research reports that highlighted the lucrative Muslim market segment (Sandikci, 2011). In Malaysia particularly, there is much evidence showing Muslims adhering to syari'ah in their consumption practices (Shah Alam, Mohd and Hisham, 2011; Sloane-White, 2011; Shah Alam et al., 2012). The emergence of Muslim entrepreneurs offering Muslim consumers the convenience of engaging in consumption activities without deviating from their religion is another contributing factor (Osella and Osella, 2009; Abdullah and Ahmad, 2010).

Considering these developments, it is not surprising that retailers are keen to tap this profitable consumer segment by incorporating Islamic store attributes' or by positioning themselves as an Islamic retailer. These changes have also spilled into academia, where research on Muslim consumers' retail patronage behaviour has garnered increased interest. A relatively small number of studies have been published on the relationship between Muslim consumers and their patronage behaviour, such as store loyalty, store choice and store attributes (Swimberghe, Sharma and Flurry, 2009; Amine and Lazzaoui, 2011; Khraim et al., 2011; Yusuf and Madichie, 2012). A review of the literature also reveals that a growing number of studies have examined the Islamic marketing mix concept (Saeed, Ahmed and Mukhtar, 2001; Damirchi and Shafai, 2011; Hejase and Orfali, 2012; Yousaf, 2014) or retail mix (Abu Bakar and Hussin, 2013) formed by various combinations of retail store attributes. However, these studies have only provided a conceptual discussion on the principles of the Islamic retail mix and attributes that retailers need to incorporate to be considered an Islamic retailer. Thus far, only one study (Mohd Fauzi and Muhamad, 2011) has empirically examined what consumers expect from an Islamic retailer. Hence, this study intends to determine the underlying store attributes that represent an Islamic retailer from the perspective of Muslim consumers.

REVIEW OF LITERATURE

Religion and Consumer Behaviour

Religion is a significant part of human life and influences many aspects of people's beliefs, attitudes and behaviour, which all have consumption implications. Various studies investigated the impact of religion on consumption decisions of different consumer groups and found that religion does play a critical role in influencing consumers' attitudes and behaviours (McDaniel and Burnett, 1990; Essoo and Dibb, 2004; Muhamad and Mizerski, 2013). Generally scholars agree that religion represents a 'unified systems of beliefs and practices relative to the sacred things', although they cautioned that religion is a complex concept which could signify different meanings such as affiliation, commitment, knowledge or orientation (Mokhlis, 2009; Muhamad and Mizerski, 2010). In understanding religion's influence on consumer behaviour, scholars have most commonly used two conceptualization of religion which is religious affiliation (an individual's affiliation to a religion) (Essoo and Dibb, 2004; Muhamad and Mizerski, 2010, 2013) and religious commitment or religiosity (the degree to which one practices their beliefs) (Delener, 1994; Mokhlis, 2009).

Retail Mix, Store Attributes, Store Image and Religion

For a retailer, the objective is to attract customers to visit or patronise their store and to retain this patronage. Hence, it is pertinent that retailers understand factors affecting retail patronage behaviour. Retailing literature highlights store attributes as an important concept because it functions as an antecedent to various retail patronage behaviours and store performance (Hartman and Spiro, 2005; Goel and Dewan, 2011). Various studies showed store attributes as a predictor of store loyalty and store equity (Beristain and Zorilla, 2011), influencing store preference and satisfaction (Koo, 2003) and a source of competitive advantage (Burt and Carralero-Encinas, 2000).

Store attributes are the different elements of a store, including price, merchandise, facilities, assortments and service, which consumers evaluate and consider in their process of deciding which store to visit or patronise. The combination of tangible and intangible store attributes as defined in a consumers mind will produce a certain store image (Martineau, 1958; Bloemer and de Ruyter, 1998; Cornelius, Natter and Faure, 2010; Beristain and Zorilla, 2011). When retailers utilise a combination of store attributes, they are actually using different elements of the retail marketing mix to form a unique store image (Jinfeng and Zhilong, 2009; Beneke et al., 2011).

Among the prominent studies of store attributes and store image are by Martineau (1958) and Lindquist (1974). Martineau (1958) categorized store attributes into functional (attributes related to the smooth operation of a store) and psychological (attributes related to feelings generated by functional element of the store). Lindquist (1974) put forth nine attributes affecting store patronage which are merchandise (assortment, quality, styling and guarantees and price), service (staff service, credit and delivery and ease of return), clientele (store personnel, social class appeal and self-image congruency), physical facilities (layout and design), promotion (sales, product displays, advertising and symbols), store atmosphere (feelings of ease and acceptance), institutional (conservative or modern image, reputation and reliability) and post transaction satisfaction (returns and adjustments). Many subsequent studies examining store attributes, store image and retail patronage behaviour basically built and extended upon these earlier studies. For example (Solgaard and Hansen, 2003; Tang and Tan, 2003) found consumers held important store attributes such as, assortment, store location, store atmosphere, promotions and facilities in their store selection. While Ruiz (2010) revealed three stores attributes such as customer services (opening times, assortment variety, and customer attention), quality image (quality and brands) and economic value (proximity, price and promotion) as contributing to customers satisfaction.

McDaniel and Burnet (1990) was an early attempt at examining religion's influence on the importance of retail store attributes held by consumers. They found that people with different degree of religious commitment placed different importance on store attributes, for example people who are more religious emphasized product quality and sales person friendliness as important attributes in store selection. Essoo and Dibb (2004) conducted a study on the effects of religion on shopping behaviour. Their study revealed similar results. Consumers affiliated to different religion placed different importance on store attributes. Muslim consumers placed high importance on product quality, service quality, store credit facilities, promotion and price deals. Khraim et al., (2011) investigated the influence of religiosity on Muslim consumers evaluation of retail store attributes. Results found that consumers held important attributes such as, merchandise (cheaper price, varieties and frequent sales offer), services (good services, courteous staff, goods nicely arranged), local products (no alcohol, selling local goods) and post purchase services (acceptance of returns). Meanwhile Mohd Fauzi and Muhamad (2011) conducted a qualitative study to investigate consumers' expectations of Islamic base retail store and their patronage motivation. Their study outlined two attributes consumers find important, which was conformance of store personnel appearance to Islamic dress code and that merchandise or products offered should be made and handled by Muslims.

The next section will review the studies on Islamic marketing mix or retail mix by these scholars (Saeed, Ahmed and Mukhtar, 2001; Damirchi and Shafai, 2011; Hejase and Orfali, 2012; Yousaf, 2014). It is pertinent to examine these studies, as the marketing or retail mix is formed by combination of various store attributes.

Islamic Retail Mix

Product

Product refers to the mix of products offered to the consumer by the retailer; it is also called the product assortment or merchandise mix. Consumers consider various factors when looking at the merchandise mix of a retailer, such as assortments, selection, availability and reputation (Mohd Fauzi and Muhamad, 2011). In selecting products, Islam provides clear guidelines on what is permissible or not permissible to consume. Halal refers to 'any object or an action which is permissible to use or engage in accordance with Sharia (Islamic) Law' (Abu Bakar and Hussin, 2013). The Malaysian Department of Islamic Development (Jabatan Kemajuan Islam Malaysia, JAKIM) provides a definition of Halal food, which offers a clear guideline on what food are allowed to be consumed: they must not (a) consist of any part of animals that are forbidden to Muslims by Islamic law or animals that have not been slaughtered according to Islamic law; (b) contain any substance that is considered impure in Islamic law; (c) be prepared, processed or manufactured using equipment or utensils that are not free from impurities as defined by Islamic law and (d) come in contact with or be stored near any kind of food that does not meet the requirements of para(s) (a), (b) or (c) above or any substances that are considered impure by Islamic law in the preparation, processing or storage stages (Jabatan Kemajuan Islam (JAKIM, 2014).

In addition, the Halal concept also emphasized that products should be 'tayyib', meaning clean and safe to consume (Alserhan, 2011). Many retailers have responded to the need of Muslim consumers; for example, hypermarkets or small retailers have implemented Islam-friendly practices, such as placing haram and halal products separately and providing special handling of haram products (Abu Bakar and Hussin, 2013). The term 'Halal' can encompass more than food products, including banking and financial products, tourism products and pharmaceutical products. Thus, offering Halal products means a seller or retailer offers products that cater to Muslim consumers' needs (Alserhan, 2011; Abu Bakar and Hussin, 2013). The products assortments or merchandise mix on offer in a retail store reflects the store's differentiation and positioning strategy.

Price

Islam enjoins a principle of value maximisation, which acknowledges the need for gaining profit (in this life and the life hereafter) through equity and justice that benefits the well-being of society (Saeed, Ahmed and Mukhtar, 2001; Hejase and Orfali, 2012). Accordingly, any deceptive pricing strategies are prohibited (Yousaf, 2014). Islamic philosophy entails that no one should charge higher price compared to the market price and no one can reduce a price to gain extra benefits. For example, retailers who purposely disclose a high retail price compared to the actual selling price to form a false impression of giving customers a bargain. In addition, sellers are also prohibited from unnecessarily charging an amount not comparable to the quality of the product. Islam does not allow any unusual transaction of money. It is not permitted that anybody benefit without doing any work or taking money without offering proper benefits; this is called *Maisir* or gambling in Islam, and it is considered a great sin (Al Quran, 2: 219) (Saeed, Ahmed and Mukhtar, 2001; Damirchi and Shafai, 2011). Islam seeks to establish a fair price for both buyer and seller of the product; thus, it prohibits false propaganda or publicity on the part of marketers to influence demand and supply for the purpose of manipulating pricing. However, in certain conditions, Islam acknowledges the need to charge higher prices, such as scarcity of supplies and policies for regulating sellers/buyers behaviour (Alserhan, 2011; Damirchi and Shafai, 2011). Islam encourages a self-operating mechanism of price adjustments and healthy competition (Al-Qur'an 83:26; Yousuf 2014).

Promotion

Islam prohibits any cover up of deceptive promotional behaviour, as the Al-Qur'an bans all forms and shapes of false assertion, unfounded accusation, concoction and false testimony (Al-Qur'an 43:19). It is unethical for sellers to exaggerate the benefits of products and assign them qualities that they do not possess to give a false impression of any kind to promote or sell a product (Damirchi and Shafai, 2011). Islamic marketing ethics prohibit coercive marketing, which includes false and misleading advertising, high pressure manipulations, misleading sales tactics and sales promotions and misleading information (Yousaf, 2014). These elements of coercion are strongly discouraged, as they cloud consumers' ability to make sound decisions. In addition, Islamic promotional efforts must not use certain tactics, such as sexual, emotional and fear-mongering tactics. For example, using female sexual appeal in an advertisement to lure consumers attention to the promotion is unacceptable. Yusuf and Madichie (2012) revealed that Muslim consumers in Nigeria resented retailers manipulative and dishonest promotional strategies.

Store Environment

The state of a retail store, such as the cleanliness, comfort and attractiveness of the premise, effects customers' intentions, attitudes and behaviour (Lam, 2001). Studies found that a positive store environment, such as an attractive layout, effective display, pleasant scent and music, may influence customers to lengthen their stay at a store and revisit a store and may strengthen customer relationships (Baker et al., 2002; Babin et al., 2005; Hu and R. Jasper, 2006). In terms of layout, Islam strongly discourages the crowding of men and women together, as this might expose unlawful parts of women to men. Thus, an Islamic retailer should strive to have separate spaces for men and women (Abu Bakar and Hussin, 2013). Facilities provided by retailers (malls, supermarkets and banks) should incorporate dedicated male and female areas; prayer rooms, cashiers and seating are examples of separate spaces that are already implemented in today's retail environment (Abu Bakar and Hussin, 2013). In addition, an increasing number of retailers offer services dedicated to women-only customers, such as women's spas and salons.

RESEARCH METHODOLOGY

The study implements a quantitative research approach based on a survey conducted among customers in Malaysia. A questionnaire was developed to determine store attribute factors representing the Islamic retailer. The questions were adapted from previous studies (Goel and Dewan, 2011; Yusuf and Madichie, 2012) and modified to fit the context of this study. The questionnaire consisted of 32 multi item scales with two sections. Section 1 covered the demographic questions. Section 2 covered questions on retail marketing mixes, which consisted of the following sections: A (merchandise), B (promotion), C (price) and D (store environment), using a five-point Likert scale. The questionnaires were first subjected to a pretest conducted with 30 respondents to gauge the degree of questionnaire acceptance by respondents and reduce potential errors (Collins, 2003). The pretest was administered at a major shopping mall in the Klang Valley. Minor amendments were made based on the verbal feedback received.

Data were collected via self-administered questionnaires from customers at major shopping malls in Kuala Lumpur, Wilayah Persekutuan, Malaysia. As the capital city, Kuala Lumpur was deemed suitable for sampling purposes because the residents are more affluent compared to other places in Malaysia. Moreover, the population density of Kuala Lumpur promised more Muslim consumers as potential respondents for the study. A total of 300 Muslim consumers (above 18 years old)

were selected because the recommended sample size to perform Factor Analysis is 300 participants (Yong and Sean Pearce, 2013). Respondents were selected based on judgmental sampling. All 300 completed questionnaires were usable and were analysed in this study. Data were analysed using statistical analysis (SPSS software package) for descriptive analysis. Exploratory Factor Analysis was performed to reduce the various variables of store attributes into common factors representing Islamic retailer.

Profiles of Respondents

From 300 respondents, the majority (63.3%) was female (36.7% were male). Single females aged 18–24 represented the majority (47.3%) of the respondents, followed by 25–34 age category (32.3%), while age category 35–44 and 45–54 represented (8.7%) and (11.7%), respectively. Respondents mostly had a bachelor's degree with an average monthly income below RM3000. Table 1 provides detail demographic profiles of the respondents.

Table 1 Respondents profile

Characteristics	%
Gender	
Male	36.7
Female	63.3
Age	
18–24	47.3
25–34	32.3
35–44	8.7
45–54	11.7
Education Level	
Diploma	17.3
Bachelor	66.3
Master	16.0
Doctorate	0.3
Occupation	
Government sector	27.3
Private sector	14.7
Housewife	8.0
Student	50.0

Table 1 (*Cont'd*)

Household Income	
Below RM3000	54.3
RM3001–RM6000	20.3
RM6001–RM9000	11.0
RM9001–RM12000	10.7
RM12001–RM15000	2.3
More than RM12001	1.3
Frequency of visit	
Very rare	0.3
Rare	15.7
Occasionally	37.3
Often	27.7
Very Often	19.0
Important store attributes	
Products/merchandise	40.0
Price	26.0
Store environment	15.7
Promotion	35.7

RESULTS AND DISCUSSION

Factor analysis was carried out to determine the common store attribute factors underlying the Islamic retailer. A total of 29 items from questions regarding retailers' strategies for merchandise, promotion, price and store environment, were subjected to factor analysis. Prior to running the factor analysis, the Kaiser Meyer Olkin (KMO) measure of sampling adequacy and the Bartlett's test of sphericity were performed. The KMO value was 0.837 (cutoff point above .50) while the Bartlett's test was highly significant ($p < .000$) (see Table 2). This is a good indicator that the data do have patterned relationship and the appropriateness of using factor analysis to explore the underlying structure of an Islamic retailer (Yong and Sean Pearce, 2013).

Using the principal components with varimax rotation only attributes with factor loadings of 0.40 or greater were regarded as significant (Tabachnick and Fidell, 2013). The factor analysis generated four components or factors explaining 53% of the total variance (refer Table 3). This shows that the store attribute factors explain only 53% of what constitutes an Islamic retailer. Based on the rotated component matrix, five factors were extracted and renamed. Principal component analysis revealed the presence of four components with eigenvalues exceeding 1; explaining 22.3%, 12.6%, 9.4% and 8.5% of the variance respectively (refer Table

4). The internal consistencies of the variable were tested. Reliability tests conducted revealed that all factors had a Cronbach Alpha value of more than 0.70 (see Table 5), which indicates that variables in the study have a high internal consistency.

All five factors were named Trustworthy Pricings, Conforming Atmosphere, Trustworthy Products and Ethical Promotion based on the store attributes that load highly on each factor. Table 5 shows the 4 extracted factors that explain 53% of the total variations. Based on the results, Trustworthy Pricing is the highest component of the retail mix that reflects an Islamic retailer. This factor highlights that retailers need to ensure their pricing strategies are just and fair, such as free from *riba*, transparent (disclosed before and after discounts price), free from fraud or overpricing which could create burden to consumers. It also relates to information about products or merchandised such as pricing being advertised truthfully without any exaggeration. This finding indicates that consumers are aware of the pricing attributes that an Islamic retailer needs to possess. It demonstrates how consumers expect retailers to conform to Islamic pricing guidelines as posited by studies on Islamic marketing mix (Saeed, Ahmed and Mukhtar, 2001; Yousaf, 2014).

The second factor is Conforming Atmosphere which relates to store environment such as cleanliness and comfort. This suggests that besides providing comfortable atmosphere like those outlined by previous studies (Tang and Tan, 2003; Babin et al., 2005; Hsiu-Fen, 2011), retailers need to incorporate an atmosphere which support their Islamic attributes. Providing tangible cues such as gender specific facilities, availability of signage and halal logos provides consumers assurance that they are patronizing an Islamic retail store. This finding is aligned with Abu Bakar and Rahayu (2013).

The third factor is Trustworthy Products which relates to product or merchandise offered. Consumers have better confidence when Islamic retailer offers local products with halal certification by local authority. This implies that halal certification of The Malaysian Department of Islamic Development (Jabatan Kemajuan Islam Malaysia, JAKIM) are highly recognized by Muslim consumers. It also includes non-manipulative pricing attributes. This reinforces previous retail attributes studies which posited product or merchandise attributes as including price factors (Essoo and Dibb, 2004; Khraim et al., 2011). An Islamic retailer is however expected to uphold that their products are priced in accordance with the Islamic principles as put forth by Alserhan (2011) and Yousaf (2014).

Finally the fourth factor is Ethical Promotion. This factor shows that consumers expect an Islamic retailer to conform to the Islamic ethics when conducting promotion. Thus, models used in advertisements, female or male should be properly attired according to the Islamic code. Promotion and advertisements from an Islamic retailer is also expected to be transparent (disclosing all obvious or hidden faults)

as well as does not contain element of exaggeration. Consumers expectation on Ethical Promotion by Islamic retailers coincides with studies explaining details of Islamic Promotion (Alserhan, 2011; Hejase and Orfali, 2012; Yousaf, 2014). This finding is also consistent with Yusuf and Madichie (2012) who found that Muslim consumers in Nigeria expressing reservations over deceptive and dishonest promotional strategies.

Table 2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.837
Bartlett's Test of Sphericity	Approx. Chi-Square	6552.022
	df	496
	sig.	.000

Table 3 Rotation sums of squared loadings

Component	Rotation sums of squared loadings		
	Total	% Variance	Cumulative %
1	7.154	22.355	22.355
2	4.039	12.620	34.975
3	3.028	9.464	44.440
4	2.749	8.591	53.030

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

Table 4 Rotated component matrix

Components		1	2	3	4
B6	Price should be free from fraud	.858			
B5	Price free from riba	.826			
A4	Ingredients checked every purchase	.754			
B7	Price based as outline by Quran and Hadith	.749			
B2	Paying higher price for high quality	.699			
C2	Advert should not contain any lies	.699			
C1	Advert should not contain excessive and nudity	.692			

Table 2 (*Cont'd*)

B3	Price should not create burden	.673	
C5	Advert should not contain false information	.618	
C6	Original price and after discount price disclosed	.596	
A6	Sell products in good conditions	.518	
A9	Products sold should protect environment	.425	
B1	Retailers should charge reasonable price	.406	
D2	Store should be comfortable and clean	.787	
C9	Advert contains Arabic and Islamic terms	.707	
D4	Separate cashier counter	.688	
D5	Supplier should be made known	.640	
D6	Signage on product and halal status available	.635	
A3I	Look for Halal Logo every purchase	.599	
C8	Obvious or hidden faults should be disclosed	.542	
A7	Confident when purchase local than imported products	.741	
A8	Not confident shopping at non-Muslim stores	.680	
A10	Products handle by Muslim workers only	.665	
B8	High price can be charge when supply is scarce	.587	
B4	Price don't give impression of getting a bargain	.549	
C7	Female or male models in advert should wear attires according to Islamic rules		-.792
C8	Obvious or hidden faults should be disclosed		-.750
C3	Music should be included in the advert	.602	
C4	Advert should not contain exaggeration	.539	

Table 5 Factors extracted from factor analysis

	Factor description	Cronbach alpha
1	Trustworthy Pricing	.857
2	Conforming Atmosphere	.854
3	Trustworthy Product	.741
4	Ethical Promotion	.721

CONCLUSION

The purpose of this study was to determine the underlying store attributes that represent an Islamic retailer from the perspective of Muslim consumers. Based on the results, Muslim consumers perceived that retailer's needs to have specific value laden attributes to be considered as Islamic. These factors are Trustworthy Pricing, Confirming Atmosphere, Trustworthy Products as well as Ethical Promotion. This is contrary to popular beliefs that a retailer needs to offer only Halal products to be perceived as Islamic. Besides product attributes, a retailer needs to develop other equally important attributes such as store atmosphere, promotion and pricing strategies that comply and embrace the Islamic ethics of conducting business.

From the perspectives of Muslim consumers, a Trustworthy Pricing is when retailers pricing strategies are free from *riba* and fraud as outlined by the *syari'ah* law. Pricing tactics are considered fair when prices are charged in accordance with the quality of the product (for example different quality products would result in different prices) and pricing differences are disclosed (for example price before and after sales promotion). Thus retailers need to equip themselves pertaining knowledge on Islamic pricing to ensure that they are able to implement the Trustworthy Pricing policies expected by Muslim consumers.

The study also demonstrates that it is not sufficient for an Islamic retailer to provide only a comfortable and clean store environment. It is pertinent for Islamic retailers to provide a Confirming Atmosphere. Attributes such as advertisement with Islamic elements, Islamic signage and Halal logos as well facilities based on gender, are among the tangible cues that would provide assurance to Muslim consumers that they are patronizing an Islamic store. This study highlights Trustworthy Products as another strategy that retailer needs to incorporate in their retail mix. Certification that verifies a store's halal products is a crucial attribute which provide competitive advantage to an Islamic retailer over a non-Islamic retailer. Thus, stores with Halal certification clearly visible at the store's premises would be highly likely patronized by consumers. The finding of this study also confirmed that promotion tactics which involves sexual exploitation (such as, usage male/female models with attires not following Islamic rules) and manipulative tactics (such as exaggeration, undisclose information) are not considered as Islamic. Consequently retailers who wish to attract the lucrative Muslim consumers segment have to go through promotions and advertisement which aligns with the Islamic marketing ethics.

Our findings is valuable for retailers as it provides empirical evidence that customers do consider Islamic marketing mix or store attributes in their decision making. In fact it was uncovered that customers are aware of the regulation instructed by the Islamic religion (as stipulated by Al-Quran and *sunnah*) with

regards to Islamic business practice. Apart from retailers, our findings provide insights for policy makers to cater efforts and strategies to assist existing and future Islamic retailers to compete effectively in the market. For example Government agencies could assist retailers by offering customized courses on Islamic pricing for businesses interested in becoming an Islamic retailer. Assisting and expediting process and procedures for retailers to obtain halal certification would be another helpful strategy.

This study also serves as an academic contribution. It provides empirical insights on the attributes that an Islamic retailer should possess, from the perspective of Muslim consumers. Previous studies have only provided brief qualitative findings (Mohd Fauzi and Muhamad, 2011) and conceptual insights (Abu Bakar and Hussin, 2013) about Islamic retailer attributes. In addition, this study could be seen as a first attempt to examine the concept of Islamic retailer by integrating the components of retail stores attributes with the components of retail marketing mix. Previous studies have examined Islamic retail attributes and Islamic marketing mix separately (Damirchi and Shafai, 2011; Hejase and Orfali, 2012; Yusuf and Madichie, 2012; Yousaf, 2014).

Although this study has provided industry and academic contribution, it is not without limitations. Future studies needs to conduct a more comprehensive analysis such as Confirmatory Factor Analysis (CFA) to test the unidimensionality, reliability and validity of the Islamic Retail Attributes dimensions. This should be a prior step before using the Islamic Retail Attributes construct to test relationship with other variables of interest. It is recommended that researches consider conducting a qualitative investigation such as focus groups or interviews to determine if there are other variables that could be attributed to the Islamic retailers. Results from this qualitative investigation could then be used as a basis for further quantitative investigation. This multi approach would ensure that the constructs representing the Islamic retailer attributes are robust enough to withstand further investigation across different settings. Hence, it would certainly increase empirical insights to the currently limited body of knowledge relating to Islamic retailing and Muslim consumers' behaviour.

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